

## GRANDSOUTH BANCORPORATION

	CPP Disbursement Date 01/09/2009	RSSD (Holding Company) 2929833	Number of Insured Depository Institutions 1		
Selected balance and off-balance sheet items	2009 \$ millions	2010 \$ millions	%chg from prev		
Assets	\$382	\$362	-5.2%		
Loans	\$305	\$288	-5.4%		
Construction & development	\$68	\$52	-22.9%		
Closed-end 1-4 family residential	\$56	\$50	-12.0%		
Home equity	\$6	\$6	-7.4%		
Credit card	\$0	\$0			
Other consumer	\$4	\$4	-10.1%		
Commercial & Industrial	\$47	\$56	18.1%		
Commercial real estate	\$115	\$112	-2.9%		
Unused commitments	\$73	\$43	-40.0%		
Securitization outstanding principal	\$0	\$0			
Mortgage-backed securities (GSE and private issue)	\$19	\$18	-2.3%		
Asset-backed securities	\$0	\$0			
Other securities	\$15	\$21	39.9%		
Cash & balances due	\$29	\$9	-70.2%		
Residential mortgage originations					
Closed-end mortgage originated for sale (quarter)	\$0	\$0			
Open-end HELOC originated for sale (quarter)	\$0	\$0			
Closed-end mortgage originations sold (quarter)	\$0	\$0			
Open-end HELOC originations sold (quarter)	\$0	\$0			
Liabilities	\$343	\$319	-7.0%		
Deposits	\$318	\$294	-7.6%		
Total other borrowings	\$24	\$24	0.0%		
FHLB advances	\$24	\$24	0.0%		
Equity					
Equity capital at quarter end	\$40	\$43	9.8%		
Stock sales and transactions with parent holding company (cumulative through calendar year)	\$8	\$5	NA		
Performance Ratios					
Tier 1 leverage ratio	10.3%	11.5%	--		
Tier 1 risk based capital ratio	12.5%	14.1%	--		
Total risk based capital ratio	13.8%	15.4%	--		
Return on equity <sup>1</sup>	3.4%	-2.6%	--		
Return on assets <sup>1</sup>	0.4%	-0.3%	--		
Net interest margin <sup>1</sup>	4.5%	5.2%	--		
Coverage ratio {(ALL+Alloc transfer risk)/Noncurrent loans}}	40.4%	57.8%	--		
Loss provision to net charge-offs (qtr)	213.0%	96.7%	--		
Net charge-offs to average loans and leases <sup>1</sup>	1.0%	2.4%	--		
<sup>1</sup> Quarterly, annualized.					
	Noncurrent Loans		Gross Charge-Offs		
Asset Quality (% of Total Loan Type)	2009	2010	2009	2010	
Construction & development	11.8%	11.9%	0.5%	1.5%	--
Closed-end 1-4 family residential	8.8%	5.1%	0.4%	0.7%	--
Home equity	0.0%	0.0%	0.0%	0.0%	--
Credit card	0.0%	0.0%	0.0%	0.0%	--
Other consumer	0.1%	0.2%	0.0%	2.7%	--
Commercial & Industrial	0.4%	1.1%	0.3%	0.8%	--
Commercial real estate	2.3%	1.1%	0.1%	0.0%	--
Total loans	5.2%	3.7%	0.2%	0.6%	--